

THE INFLUENCE OF SERVICE QUALITY AND PRICE ON CUSTOMER LOYALTY WITH CUSTOMER SATISFACTION AS A MODERATOR VARIABLE ON MAXIM ONLINE TRANSPORTATION USERS

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Abstract: The presence of online transportation providers has increased rivalry in Indonesia's transportation sector. However, many students remain dissatisfied with the services of the online transportation industry, particularly Maxim. This research seeks to explore the connection between service quality, pricing strategies, and customer loyalty, with customer satisfaction acting as an intermediary variable. The proposed framework was tested among Bandar Lampung University students who use the Maxim application. An online survey was conducted with 280 students aged 19 to 25 years from Bandar Lampung University as participants. The data were analyzed using SmartPLS 3.0, applying structural equation modeling to test the model and evaluate the hypotheses. The first and second hypotheses were validated, showing that service quality and pricing positively influence customer loyalty. Similarly, the third and fourth hypotheses were supported, revealing that service quality and pricing significantly enhance customer satisfaction. The fifth hypothesis was corroborated, demonstrating that customer satisfaction strengthens customer loyalty. Furthermore, the sixth and seventh hypotheses were confirmed, demonstrating that customer satisfaction serves as a mediator in the relationship between service quality, pricing strategies, and customer loyalty. This study revealed that service quality and pricing play a vital role in shaping Maxim's customer loyalty, particularly among students at Bandar Lampung University. Customer satisfaction acts as a moderating factor that reinforces the relationship between service quality, pricing, and customer loyalty. The findings highlight that customer satisfaction significantly impacts the intention to reuse the service, underscoring the critical role of trust and positive user experiences in fostering customer loyalty. This study investigates the influence of service quality and pricing on customer loyalty among Maxim online transportation users, with customer satisfaction serving as a mediating variable. Additionally, it explores how satisfaction enhances the connection between service quality, pricing, and customer loyalty.

Keywords: Service Quality, Price, Customer Satisfaction, and Customer Loyalty.



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I. INTRODUCTION

Customer loyalty is a crucial aspect of the business world due to its significant influence on a company's sustainability and growth [1]. Loyal customers are more likely to continue using a particular product or service, even in the face of attractive offers from competitors [2]. This enables companies to maintain stable and sustainable revenue. Moreover, loyal customers often act as brand advocates, spreading positive recommendations that help the company attract new customers at a low marketing cost [3]. An effective loyalty program further encourages repeat purchases and fosters a closer relationship between companies and their customers [4]. Therefore, focusing on customer loyalty not only enhances profitability but also strengthens competitiveness in a dynamic market [5].

Customer loyalty is influenced by several factors, including customer satisfaction, product or service quality, reliability, and customer interaction experience [6]. Emotional commitment between customers and companies, supported by loyalty programs and perceived value, also plays a significant role [7]. Additionally, factors such as company reputation and fair pricing further strengthen loyalty. By effectively managing these elements, businesses can build lasting relationships with clients, increase retention, and drive sustainable growth.

Customer loyalty is heavily impacted by service quality, which is a key driver of customer satisfaction [7]. When service meets or exceeds customer expectations, satisfaction grows, strengthening their loyalty to the company [8]. High-quality service not only boosts satisfaction but also fosters trust, creating an emotional bond between the customer and the company. Loyal customers often stay despite competitors offering lower prices [9]. Furthermore, excellent service encourages positive word-of-mouth, enhancing the company's reputation and growth [10]. Therefore, prioritizing service excellence helps retain customers and attract new ones, fostering mutually beneficial relationships.

Price is another crucial factor influencing customer loyalty, as it directly relates to perceived value [11]. Consumers tend to experience greater satisfaction when they perceive the price as fair in relation to the quality or benefits they receive, which in turn fosters brand loyalty [11]. In price-sensitive markets, competitive pricing plays a crucial role in attracting new customers while retaining existing ones. [12]. However, loyalty is not solely dependent on low prices. Many customers are willing to pay more for added value, such as superior service, exceptional experiences, or innovative products [13]. Thus, companies should establish pricing strategies that reflect both value and quality while balancing customer expectations and profitability [14].

Customer satisfaction acts as a bridge between service quality, pricing, and customer loyalty [15]. Satisfied customers are more likely to perceive prices as reasonable and develop emotional bonds with the company, increasing their loyalty [14]. Satisfaction with competitive prices can also make customers more tolerant of occasional shortcomings in service quality [12]. Consequently, businesses must focus not only on service quality and pricing but also on creating satisfying customer experiences to foster long-term loyalty [11].

The rise of online transportation services has intensified competition in Indonesia's transportation sector. Go-Jek, Uber, Maxim, and Grab dominate this industry (Barusman, 2024). Maxim, a Russian-based company established in 2010, expanded to Indonesia in 2018 under PT Teknologi Perdana Indonesia. It currently operates in 27 cities, including Bandar Lampung, where it began operations in June 2019 [16].

Maxim has experienced rapid growth since its entry into Indonesia, emphasizing affordable rates. By the end of 2018, the app had 10,000 downloads, which skyrocketed to over 500,000 by late 2019, reflecting a monthly growth rate of 160%. The company offers diverse services, including motorcycle taxis, goods delivery, and vehicle towing, and provides incentives such as a starter balance for new users. With plans to expand further, Maxim aims to strengthen its market position while delivering high-quality service to Indonesian users [17].

However, Maxim faces challenges among students in Bandar Lampung. Despite its affordability, students are often lured by promotions from competitors. Limited coverage in remote areas, long wait times during peak hours near campuses, and restricted nighttime services pose significant obstacles. Concerns about driver attitudes and vehicle comfort further affect user satisfaction. Additionally, many students lack awareness of Maxim's benefits due to poorly targeted promotions. To address these issues, Maxim needs to improve service quality, expand its coverage, and design student-focused promotional strategies [18].

II. METHODS AND MATERIALS

Conceptual framework and hypothesis design



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Service Quality, Customer Loyalty, and Customer Satisfaction

Customer loyalty is significantly influenced by the quality of service provided. Superior service quality enhances client satisfaction, increasing the likelihood of repeat purchases and fostering loyalty [19]. When customers perceive a service as reliable, effective, and meeting or exceeding expectations, they are more likely to continue using it and recommend it to others. Numerous studies confirm a positive correlation between service quality and customer loyalty, with key attributes such as responsiveness, reliability, and empathy being critical factors [20].

Businesses that actively seek customer feedback and improve services based on it strengthen emotional connections with their customers, fostering greater loyalty over time. High service quality not only retains customers but also builds trust and support, which are crucial for long-term loyalty [21].

Service quality is essential for long-term business success, as it directly impacts customer satisfaction. High-quality service ensures customers perceive value, reliability, and efficiency in their experience [22]. Dimensions such as dependability, responsiveness, empathy, assurance, and tangibles play a critical role in shaping overall brand perception [23]. Satisfied customers are more likely to remain loyal and engage in positive word-of-mouth referrals, reinforcing the brand's reputation [24].

Conversely, poor service quality results in dissatisfaction, complaints, and lost business opportunities. Research shows that attentive and efficient service experiences significantly impact customer satisfaction and loyalty, underlining the importance of maintaining high service standards [25].

H1: Service quality has a positive and substantial impact on client loyalty.

H3: Service quality has a positive and substantial impact on client satisfaction.

H6: Client satisfaction acts as a positive mediator between service quality and client loyalty.

Price, Customer Loyalty, and Customer Satisfaction

Pricing strategies play a critical role in shaping customer satisfaction by influencing perceptions of value and expectations [26]. Customers are more likely to be satisfied when they perceive the price paid as reasonable in relation to the quality and benefits received. Conversely, high prices with perceived low value can lead to dissatisfaction and loyalty erosion [27].

Competitive pricing strategies that align with or exceed customer expectations can significantly enhance satisfaction, resulting in higher retention and positive referrals [28]. Pricing strategies that combine affordability with high-quality offerings help brands achieve better customer satisfaction and loyalty.

H2: Price has a positive and substantial impact on client loyalty.

H4: Price has a positive and substantial impact on client satisfaction.

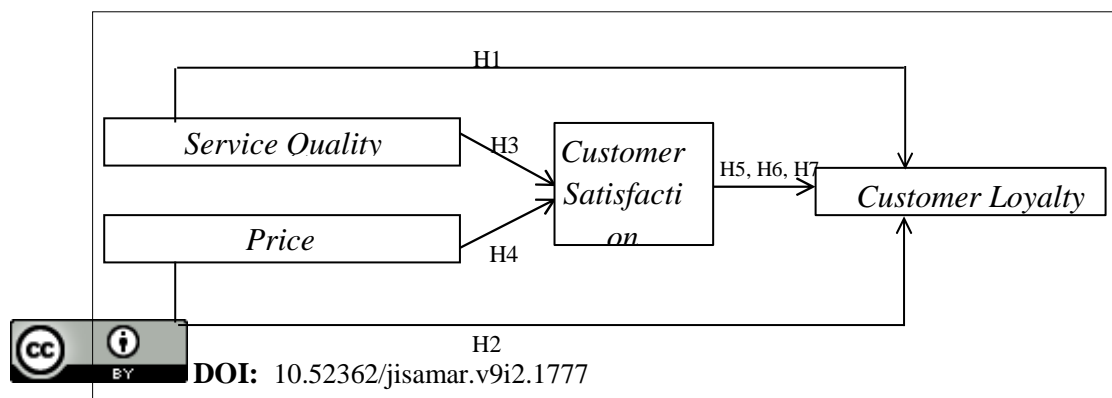
H7: Client satisfaction acts as a positive mediator between price and client loyalty.

Customer Satisfaction and Customer Loyalty

Customer satisfaction serves as a foundation for fostering loyalty, as satisfied customers are more likely to engage in repeat purchases, build long-term relationships with the brand, and advocate for it to others [29]. Satisfaction arises when products or services meet or exceed expectations, leading to a sense of value for money and increased loyalty [30].

Emotional factors also influence this relationship, as satisfied customers often develop an emotional attachment to the brand, which strengthens trust and loyalty. While satisfaction is not the sole determinant of loyalty, it significantly increases the likelihood of repeat patronage and long-term relationships [31].

H5: Customer satisfaction has a positive and substantial impact on client loyalty.



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Figure 1. Theoretical Framework

Research Design

This study adopts a quantitative research approach, utilizing data measurement and statistical analysis. A cross-sectional design is implemented to examine the relationships between variables by gathering data at a specific point in time [32]. Specifically, a single cross-sectional design is applied, where data is collected from a single group of respondents, focusing on students who use the Maxim application.

Samples and Data Collection

The population for this study consists of 936 students from the Faculty of Economics, Bandar Lampung University. Using Slovin's formula, a sample size of 280 students was determined. This research employs primary data collection through surveys distributed to Maxim users in Bandar Lampung. Questionnaires, designed with a Likert scale, were distributed via Google Forms to collect quantitative data. The survey aimed to gather relevant, reliable, and objective data for subsequent analysis [32].

Measurement

All the variables employed in this study are derived from existing literature on service quality, pricing, client happiness, and loyalty. Service quality is assessed using the following indicators: tangible, reliable, responsiveness, assurance, and empathy [33]. Price is measured by the indicators: monetary price and behavior price [34]. Customer satisfaction is assessed using indicators such as surpassing client expectations compared to competitors and going beyond the client's needs, and fulfilling wants more effectively than rivals [33]. Customer loyalty in this study is based on the concept of a consistent behavioral response over time by a decision-making unit toward one or more specific brands within a group of similar brands, shaped by psychological processes.

Data analysis

The analysis employs Structural Equation Modeling (SEM), a multivariate analysis method used to estimate relationships between independent and dependent variables. SEM allows for the inclusion of unobservable factors measured indirectly through indicators [32]. SEM (Structural Equation Modeling) is a multivariate analysis method that allows for the simultaneous analysis of multiple variables. SEM provides the flexibility to include unobservable factors, which are measured indirectly through indicator variables. There are two main types of SEM: covariance-based (CB-SEM) and partial least squares (PLS-SEM). PLS-SEM is commonly used for data that does not follow a normal or parametric distribution, whereas CB-SEM is appropriate only for data that has a normal distribution (Hair, et al., 2019).

Research result

Description Respondents

This study sampled 280 students from Bandar Lampung University. The majority of respondents were female (72.14%, n=202), while male respondents accounted for 27.86% (n=78). Most participants were within the 18 to 25-year age range, aligning with the demographic characteristics of the targeted population. The detailed demographic information is summarized in Table 1 below.

Table 1. Respondent Profile and Characteristics (n=280)

Attribute	Characteristics	N	%
Study program	Management	207	73.93%
	Accounting	73	26.07%
Smstr (Management)	Smtr 1	5	1.79%
	Smtr 3	9	3.21%
	Smtr 5	33	11.79%
	Smtr 7	160	57.14%
Smstr (Accounting)	Smtr 1	12	4.29%
	Smtr 3	22	7.86%
	Smtr 5	19	6.79%
	Smtr 7	20	7.14%



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Gender	Male	78	27.86%
	Female	202	72.14%
Age	17-19 Years	48	17.14%
	20-22 Years	182	65.00%
	23-25 Years	50	17.86%
	Every day	37	13.21%
Maxim Users	2-3 times	90	32.14%
	1 time a week	80	28.57%
	Less than 1 time a week	73	26.07%

Source: Processed data, 2024.

Goodness Of Fit Test

This evaluation was performed by comparing the SmartPLS model estimation findings against standardized benchmark values. Key indicators such as the Root Mean Square Residual (SRMR), Normed Fit Index (NFI), and Chi-Squared value were analyzed. The detailed output findings are presented in Table 2 below.

Table 2. Goodness Of Fit Test Results

Measurement	Saturated Model	Estimated Model	Information
SRMR	0.067	0.067	Valid
d_ULS	0.775	0.775	Invalid
d_G	0.284	0.284	Invalid
NFI	0.840	0.840	Invalid

Source: Smartpls 3.0 Data Processing Results (2024)

Based on the Goodness of Fit (GoF) CB-SEM findings in Table 2, the SRMR value of 0.067, being less than the threshold of 0.08, indicates a good fit. However, the d_ULS, d_G, and NFI values, all falling below 0.9, render the overall test invalid. Consequently, this study adopts the PLS-SEM model for further analysis.

Outer Testing Model

The evaluation of the outer model focuses on assessing the measurement model's adequacy, particularly its validity and reliability. Validity is evaluated through convergent and discriminant validity, while reliability is assessed using composite reliability. Convergent validity is analyzed by examining the correlation between indicator values and their respective constructs, as reflected in the outer loading output data. This ensures the indicators are well-aligned with the constructs they measure, confirming the robustness of the model.

Convergent Validity Analysis

In testing convergent validity, the author used SmartPLS 3.0 software, with an outer loading threshold of > 0.7. The testing was conducted using two methods: the outer loading and the average variance extracted (AVE) (Hair, et al., 2019).

Table 3. Outer Test Results Loading

No.	Variables	Indicator	Outer Loadings	Explanation
1.	Service Quality	SQ1	0.767	Valid
		SQ2	0.825	Valid
		SQ3	0.852	Valid
		SQ4	0.805	Valid
		SQ5	0.797	Valid
2.	Price	P1	0.720	Valid
		P2	0.770	Valid
		P3	0.790	Valid
		P4	0.756	Valid
		P5	0.762	Valid
3.	Customer Loyalty	CL1	0.874	Valid



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		CL2	0.893	Valid
		CL3	0.892	Valid
		CL4	0.844	Valid
		CS1	0.796	Valid
4.	Customer Satisfaction	CS2	0.859	Valid
		CS3	0.831	Valid
		CS4	0.835	Valid

Source: Smartpls 3.0 Data Processing Results (2024)

The findings from the convergent validity test, using outer loading, displayed in Table 3, indicate that all variables in this study service quality, pricing, customer satisfaction, and customer loyalty are valid. Additionally, the average variance extracted (AVE) was assessed for convergent validity, a variable is considered valid if its AVE value exceeds 0.5. This confirms the adequacy of the measurement model for the variables under consideration.

Tabel 4. Average Variance Extracted Test Results

No.	Variables	AVE	Explanation
1.	Service Quality	0.655	Valid
2.	Price	0.578	Valid
3.	Customer Loyalty	0.767	Valid
4.	Customer Satisfaction	0.690	Valid

Source: Smartpls 3.0 Data Processing Results (2024)

The results of the convergent validity test, shown in Table 4, using average variance extracted (AVE), demonstrate that all variables in this study service quality, pricing, customer satisfaction, and customer loyalty are valid.

Discriminant Validity Analysis

In the discriminant validity analysis, the researcher employed the cross-value loading method. This method involves comparing the outer value loading of each indicator within a variable to its corresponding cross-loading value, which is generated after data processing through SmartPLS. If the outer value loading of an indicator within a variable is greater than the corresponding cross-loading value, the indicator for that variable is considered valid.

Table 5 Discriminant Test Results Validity

Indicator	SQ	P	CL	CS
SQ1	0.767	0.121	0.283	0.311
SQ2	0.825	0.124	0.241	0.254
SQ3	0.852	0.262	0.368	0.390
SQ4	0.805	0.288	0.408	0.358
SQ5	0.797	0.255	0.246	0.294
P1	0.191	0.720	0.291	0.371
P2	0.316	0.770	0.373	0.360
P3	0.191	0.790	0.369	0.384
P4	0.148	0.756	0.247	0.302
P5	0.161	0.762	0.318	0.349
CL1	0.374	0.391	0.874	0.711
CL2	0.356	0.334	0.893	0.647
CL3	0.308	0.427	0.892	0.717
CL4	0.352	0.335	0.844	0.627
CS1	0.322	0.373	0.682	0.796
CS2	0.335	0.384	0.658	0.859
CS3	0.405	0.391	0.609	0.831
CS4	0.287	0.408	0.615	0.835



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Source: Smartpls 3.0 Data Processing Results (2024)

The loading values should exceed 0.7, signifying that the construct explains more than 50 percent of the variance from other indicators (Hair, et al., 2019). Based on the findings from the cross-loading test shown in Table 5, we can conclude that the cross-loading values are greater than those of the other variables, thus fulfilling the criteria for the cross-loading test. Therefore, the cross-loading values are considered significant.

Composite Analysis Realizability and Cronbach's Alpha

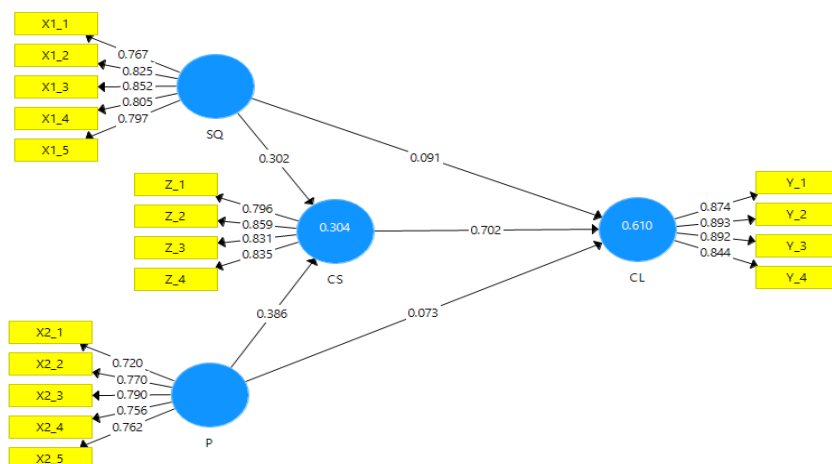
Study variables are considered reliable if their composite reliability value exceeds 0.7 but is less than 0.93. Variables are considered trustworthy if their composite reliability value exceeds 0.7 but is less than 0.95 [36].

Table 6. Cronbach's Test Results Alpha and Composite Realizability

No.	Variables	Indicator	Cronbach's Alpha	Composite Reliability
1.	Service Quality	SQ1	0.870	0.905
		SQ2		
		SQ3		
		SQ4		
		SQ5		
2.	Price	P1	0.818	0.872
		P2		
		P3		
		P4		
		P5		
3.	Customer Loyalty	CL1	0.899	0.929
		CL2		
		CL3		
		CL4		
		CS1		
4.	Customer Satisfaction	CS2	0.850	0.899
		CS3		
		CS4		
		CS4		

Source: Smartpls 3.0 Data Processing Results (2024)

Based on Table 6, the composite reliability value for each variable exceeds 0.7. Therefore, we can conclude that all variables in this study demonstrate sufficient reliability. Following the validity and reliability tests, the processed data are now considered ready for the bootstrapping test. Figure 2 presents the research model framework for this investigation.



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Figure 2. Framework Model Testing Validity and Reliability Testing

Source: Smartpls 3.0 Data Processing Results (2024)

Inner Model Testing

After confirming that each construct meets the standards for Convergent Validity, Discriminant Validity, and Composite Reliability, the structural model will be evaluated. The inner model, also referred to as the inner relations, defines the relationships between latent variables based on the study's theoretical framework. The evaluation of the inner model is carried out using SmartPLS with bootstrapping. This includes assessing model fit, Path Coefficients, and R^2 . The model fit test is used to determine whether the model aligns with the data.

Coefficient Test of Determination (R^2)

The R^2 value assesses the explanatory power of the model by measuring the proportion of variance in the dependent variables that is explained by the independent variables. R^2 values of 0.67, 0.33, and 0.19 are classified as "good," "moderate," and "weak" (Hair, et al., 2019).

Table 7. R Square

Variables	R Square	R Square Adjusted
CL	0.610	0.606
CS	0.304	0.299

Source: Smartpls 3.0 Data Processing Results (2024)

Table 7 shows that the R^2 value for customer loyalty is 0.606, meaning service quality and pricing explain 60.6% of the variation in customer loyalty, while the remaining 39.4% is attributed to other factors. For customer satisfaction, the R^2 value is 0.300, indicating that service quality and price account for 30% of the variation, with the remaining 70% explained by other variables. Thus, the R^2 for customer satisfaction is considered acceptable.

Path Coefficient Test

The path coefficient is a standardized regression coefficient (beta) that indicates the direct effect of independent variables on dependent variables in a path model. It measures the influence of independent factors on the dependent variable. The path coefficient, also known as the inner model value, is used to assess the significance of hypotheses through the Bootstrapping technique. Hypothesis testing is performed by analyzing the T-statistics at a 95% significance level ($\alpha = 0.05$), with the hypothesis accepted if the p-values are below 0.05 (Hair, et al., 2019).

Table 8. Path Test Results Coefficient

Hypothesis	Relationship Between Variables		T-Statistics	P-Value	Information
H1	QS	→ CL	2,982	0.003	Significant Positive
H2	P	→ CL	2,100	0.036	Significant Positive
H3	QS	→ CSI	5,667	0.000	Significant Positive
H4	P	→ CSI	6,365	0.000	Significant Positive
H5	CS	→ CL	11,515	0.000	Significant Positive
H6	QS*CS	→ CLI	5,520	0.000	Significant Positive
H7	QS*CS	→ CL	2,434	0.015	Significant Positive

Source: Smartpls 3.0 Data Processing Results (2024)

The results in Table 8 confirm that Hypotheses 1 and 2, which state that service quality and price positively affect customer loyalty, are supported, with P-values of 0.003 and 0.036, and t-statistics of 2.982 and 2.100, respectively. Hypotheses 3 and 4 are also confirmed, showing that service quality and price significantly enhance customer satisfaction, with P-values of 0.000 and t-statistics of 5.667 and 6.365. Hypothesis 5 is accepted, indicating that customer satisfaction positively influences loyalty (P-value = 0.000, t-statistic =



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11.515). Finally, Hypotheses 6 and 7 are supported, demonstrating that customer satisfaction mediates the impact of price on loyalty, with P-values of 0.000 and 0.015, and t-statistics of 5.520 and 2.434. These findings confirm that service quality, price, and satisfaction significantly affect customer loyalty both directly and indirectly.

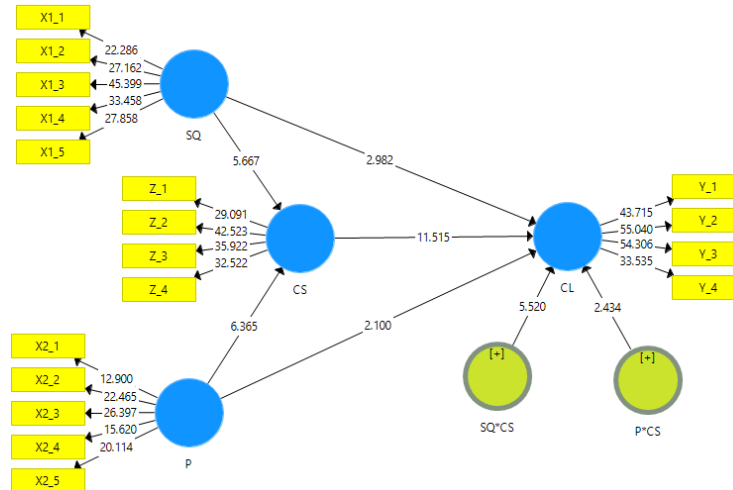


Figure 3. Bootstrapping Test Model Framework Test Results

Source: Smartpls 3.0 Data Processing Results (2024)

Discussion

Service Quality, Customer Loyalty, and Customer Satisfaction

Service quality has a positive impact on customer loyalty. When a company provides excellent service, customers feel satisfied and are more likely to return. Key factors such as reliability, responsiveness, empathy, and well-maintained facilities contribute to a positive customer experience. This experience enhances customer trust and reduces uncertainty, fostering long-term relationships. Satisfied and loyal customers not only return to use the company's services but are also more inclined to recommend the company to others, increasing loyalty and offering long-term benefits to the business [23].

Similarly, service quality positively affects customer loyalty by ensuring that customers are satisfied with their experience and more likely to return. Factors like reliability, responsiveness, assurance, and attentiveness to customer needs are critical in creating a fulfilling experience [37]. Customer satisfaction is crucial, as satisfied customers are likely to become loyal, return to the company, and provide positive recommendations to others [26].

Satisfaction also mediates the relationship between service quality and customer loyalty. Customer satisfaction serves as an intermediary, connecting high-quality service to customer loyalty. When customers experience excellent service, they are satisfied, fostering an emotional connection and trust in the company. This satisfaction strengthens their intention to continue doing business with the company, enhancing their likelihood of staying loyal and recommending the service to others [33]. In other words, good service quality not only directly influences loyalty but, through customer satisfaction as a mediator, its effect on loyalty becomes more pronounced [26].

Price, Customer Loyalty, dan Customer Satisfaction

Price plays a significant role in influencing customer loyalty by enhancing satisfaction, especially when it aligns with the quality of the product or service. Fair or competitive pricing encourages customers to remain loyal and make repeat purchases [34]. Competitive prices also create a stronger perception of value in the eyes of customers, helping to establish long-term relationships between customers and businesses. Therefore, fair pricing not only influences purchasing decisions but also fosters enduring customer loyalty [6].

Similarly, price positively impacts customer satisfaction. When customers perceive that the price is reasonable and corresponds to the quality of the product or service, their satisfaction levels increase. When



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customers believe they are getting good value for their money, they are more likely to be satisfied with their purchase [38]. Transparent and competitive pricing can build trust and satisfaction, as customers feel they are receiving a fair deal. Furthermore, appropriate pricing sets realistic expectations, which, when met, contribute to higher levels of satisfaction. Conversely, if the price is perceived as too high or mismatched with the quality of the product or service, customer satisfaction can decrease [13].

Satisfaction also mediates the effect of price on customer loyalty. Fair prices that align with customer expectations enhance satisfaction, which in turn strengthens loyalty. When customers feel they are receiving good value for their money, they are more likely to remain loyal and make repeat purchases [15]. Satisfaction acts as a bridge between price and loyalty when customers are satisfied with the price, they are more likely to continue supporting the company, recommend its products or services, and remain loyal. On the other hand, if the price is perceived as too high or does not meet expectations, satisfaction declines, and this negatively impacts loyalty.

Customer Satisfaction dan Customer Loyalty

Customer satisfaction plays a pivotal role in fostering customer loyalty, which is essential for establishing long-term relationships between customers and companies [28]. When customers are satisfied with a product, service, or overall experience, they are more inclined to make repeat purchases and remain loyal to the brand or company. This satisfaction arises from consistent, positive experiences that build trust and emotional connections with the company [19]. Satisfied customers are also more likely to recommend the product or service to others, which not only helps to expand the customer base but also strengthens customer loyalty. In essence, high levels of satisfaction are critical for businesses to retain customers, minimize churn, and create sustainable growth opportunities [39].

III. CONCLUSION

Based on the problem formulation and research findings, the following conclusions can be drawn: The first and second hypotheses were supported, confirming that both service quality and price positively influence customer loyalty. Similarly, the third and fourth hypotheses were validated, indicating that service quality and price have a positive effect on customer satisfaction. The fifth hypothesis was also affirmed, demonstrating that customer satisfaction plays a significant role in enhancing customer loyalty. Furthermore, the sixth and seventh hypotheses were accepted, suggesting that customer satisfaction serves as a mediator in the relationship between service quality and price, influencing customer loyalty.

Based on the research findings, it is recommended that companies prioritize enhancing service quality as a primary strategy to boost customer loyalty. This improvement can be achieved through regular employee training programs aimed at building their competence and professionalism in customer service. Additionally, optimizing service processes such as reducing response times, ensuring customer comfort, and providing tailored solutions to meet customer needs can significantly contribute to creating positive customer experiences that foster long-term loyalty to the company.

While price has a notable influence on customer satisfaction, maintaining competitiveness through fair and transparent pricing policies is equally important. Competitive pricing strategies can attract new customers and retain existing ones, particularly in price sensitive markets. To further enhance customer value, companies may implement discounts, special promotions, or loyalty programs. By effectively combining exceptional service quality with strategic pricing approaches, businesses can build stronger, more enduring relationships with their customers while securing a competitive edge in the market.

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